R4105-3
4/13/89

STATISTICAL BULLETIN

Statistical Reference Index
Acquisitions
4520 East West Highway - Suite 800
Bethesda, MD 20814

Highlights

- SLOWER INCOME GROWTH MAY COOL CONSUMER DEMAND; HIGH LENDING RATES CONSTRAIN ALREADY SOFT CAR AND HOME SALES.
- TIGHT LABOR MARKETS COULD BE EASING.
- BUT STILL RAPID GROWTH IN NEW ORDERS CONTINUES TO KEEP PRESSURE ON THE INDUSTRIAL SECTOR.
- LOW INVENTORIES COULD LIMIT ANY DOWNTREND IN OVERALL ECONOMIC GROWTH.
- ON THE INFLATION WATCH: PRICE INCREASES ARE NOW HIGHER. THE PACE WILL SPEED UP UNLESS THE ECONOMY COOLS.
- OUTLOOK • U.S. ECONOMIC GROWTH WILL MODERATE IN THE SECOND QUARTER AND MAY PROVE SLUGGISH BEFORE THE YEAR IS OVER.

Volume 22, No. 3, March, 1989.

CONTENTS

Commentt	2-3
Status of Leading Economic Indicators	4
Diffusion Indexes	5
Business Executives' Expectations	5
Economic Forecasts	6-7
Key Determinants of Profit Margins	8
Selected International Comparisons	9
Help-wanted Advertising Indexes	10
Consumer Confidence and Expectations	11
Capital Appropriations	11
Automobile Sales	12

The Conference Board

THE CONFERENCE BOARD'S STATISTICAL BULLETIN COMMENTARY

OVERVIEW: Whether on its own accord, or through policy measures, slower U.S. economic growth continues to be the consensus outlook of the **Economic Forecasts**. And that slower growth is expected to start showing up in the second quarter. There are some indications, though not terribly strong, that the pace of U.S. economic activity is already beginning to slide. Jobs and hours worked slowed and the hourly pay rate, so important from an inflation standpoint, was almost flat in February. Consumer spending also tailed off a little. Higher interest rates are holding down the rate of inventory accumulation. In contrast, the pace of industrial activity shows little sign of fatigue. In fact, new orders appear to be picking up.

DOMESTIC MARKET MONITOR

Strong labor markets in January, which heightened inflation concerns, gave way to somewhat more modest conditions in February. The rise in new hiring slowed: The gain in service jobs was still substantial, but employment levels in goods production were flat. Total hours worked were unchanged and labor-force participation declined. The average hourly pay rate only rose by a penny. Initial unemployment claims inched higher. The Conference Board's **Help-wanted Index**, a measure of labor demand, fell in January—and early returns to the February survey suggest it may have declined again.

Inflation jitters may persist, even if labor markets cool. Labor productivity growth typically falls when production growth slows. So, even if moderating labor markets relieve upward pressure on the average hourly pay rate, unit labor costs (hourly compensation less gains in output per hour worked) might continue to rise a little, but not indefinitely. Thus, inflation, and anti-inflation policy with its negative impact on growth, may continue for a time.

INCOME: There are some signs that wage gains are slowing. Wages in commodity-producing industry were 0.9% higher in January than three months earlier, a slight dip from the recent trend. Wages in the "other industry" category were 2.7% higher, no real change in trend. But given the weaker rise in new jobs in February, little gain in hourly rates, and no rise in hours worked, wage gains probably continued to edge lower.

Nonwage income gains, however, have increased—except for rental income which is still falling. Total nonwage income was 3.7% higher in January than three months earlier. Interest income is still rising sharply, and shopkeepers' income has also started to rise very sharply.

Consumer borrowing has turned sluggish, with the exception of still-robust auto loans, which appear a response to promotional rates. But revolving credit, largely credit card activity, has tailed off even though interest rates are generally fixed. This may indicate that consumers are simply not in a borrowing mood, a possible sign of weakening consumer confidence.

Consumer attitudes have been wavering: Earlier this year, strong pay increases and job gains bolstered optimism, while reports of slower economic growth and/or inflation ahead alternately sapped confidence. In February, The Conference Board's **Consumer Confidence Index** soared to 122 (1985 = 100). The rise in the **Expectations Component** was more modest. With job growth and pay increases reportedly now slowing a little, and inflation jitters, the next readings will probably show some dampening of optimism.

SPENDING: The good news is that consumer demand is still rising. Retail sales, except cars, were 0.9% higher in February than three months earlier. Sales of durable goods, except cars, were 2.2% higher. The bad news is that the good news may not last. The gains in sales have slowed a little from prior trends. And if consumer attitudes weaken, and income growth slows, the rise in spending will continue to moderate.

New domestic **Automobile Sales** were flat in February. The selling pace has now hovered close to 7 million units, seasonally adjusted at an annual rate, despite extended promotional campaigns. And with interest rates still moving higher, car sales are likely to sag, especially when the promotions have run their course.

CONSTRUCTION: Relatively mild winter weather in at least some parts of the country contributed to a rise in new home construction. Unfortunately, the mild weather did not offset the hikes in mortgage rates or the continued rise in new home prices. New single-family home sales, then, were almost 2% lower in January than three months earlier, while the backlog of unsold homes was 5.1% higher. Nevertheless, permits to build new single-unit homes were 4.8% higher. With a rising stock of unsold homes, mortgage rates still rising, and no break in the upward trend of home prices (despite lackluster sales volume), home buying is likely to remain mired in a deep and already quite long slump, perhaps through the rest of this year.

Business investment remains on a strong upward trend, as demonstrated by continued increases in nonresidential construction. Industrial, office, commercial, and public building (including work on roads and other infrastructure) all rose sharply through January. And the data on new jobs and hours worked in construction in February suggest that building continued strongly through that month.

Ken Goldstein, Editor

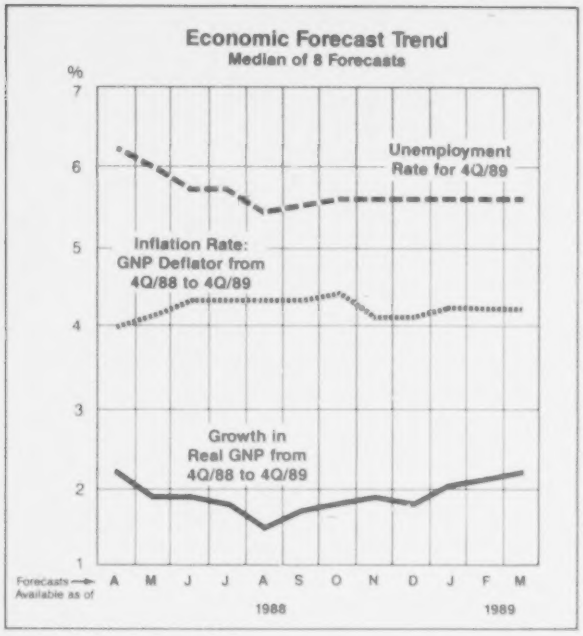
STATISTICAL BULLETIN (ISSN 0010-5554), published monthly by The Conference Board, Inc., 845 Third Avenue, New York, N.Y. 10022. Printed in New York, N.Y. Second-class postage paid at New York, N.Y. POSTMASTER: Send address changes to The Conference Board, 845 Third Avenue, New York, N.Y. 10022

© 1989 The Conference Board, Inc.
845 Third Avenue
New York, N.Y. 10022

The Conference Board, Inc.
Avenue Louise, 207-Bte 5
B-1050 Brussels, Belgium

The Conference Board, Inc.
1755 Massachusetts Avenue, N.W., Suite 312
Washington, D.C. 20036

The Conference Board of Canada
255 Smyth Road
Ottawa, Ontario, K1H-8M7



PRODUCTION: The rapid expansion in industrial output may subside, especially if the rise in consumer demand cools. To date however, it is full steam ahead. Total industrial production was 1.2% higher in January than three months earlier, despite a 1.1% drop in defense- and space-related output. Consumer durable goods output was 2.2% higher while that of business equipment was up 1.4 percent.

The overall utilization rate stood at 84.4% in both December and January. The absence of any rise in jobs or hours worked in manufacturing in February suggests some moderation in the expansion may be underway. Still, too much should not be made of one month's data. Fear that demand will outstrip productive capacity, with shortages fueling price hikes, remains an active concern.

One reason such concerns will not disperse is that new orders are still strong. New orders for durable goods, except for defense-related materiel, were a full 8.1% higher in January than three months earlier. Moreover, another measure of the strength in industrial conditions, the ratio of new orders to shipments, was 3.1% higher in January than three months earlier, despite the near-maximum-capacity level of current production schedules. Thus, despite concerns about potential softness in exports and a cooling of consumer demand, it appears business cannot produce enough, and fast enough, to keep up with total demand.

INVENTORY: Despite rapid production growth, inventory has been rising slowly. In part that reflects an attempt to cope with rising interest rates, which increase the carrying charges. Total inventory, except cars at the retail level, was 1.5% higher in December than three months earlier. Yet, the Inventory-to-Sales ratios remained unchanged for the eighth straight month. If overall economic growth slows as anticipated, the absence of any inventory overhang suggests the downturn will not be steep.

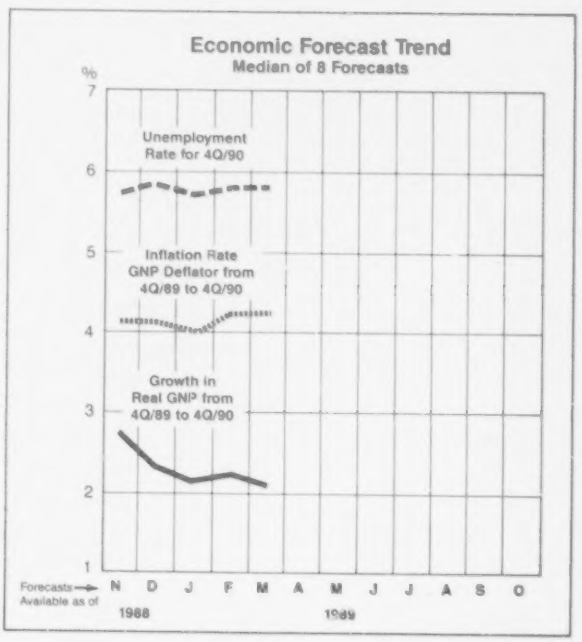
INFLATION: No doubt some of the recent uptick in inflation reflects higher oil prices. But recent sharp increases in raw metal prices reflects the strong demand noted in the still rapid rise in new factory orders. Meanwhile, farm prices were 2.8% higher in February than three months earlier. Those hikes will flow through to food processors. And wholesale prices for raw materials, except food and energy, were 3.4% higher in January than three months earlier. The speed up in inflation will slow if the economy does.

INTERNATIONAL MONITOR

Strong domestic industrial conditions have exacerbated the merchandise trade deficit. Imports of raw and semi-finished industrial materials were 10.8% higher in January than three months earlier. Imports of capital goods, as a result of the ongoing surge in equipment investment, rose 6.6 percent. So, even though consumer goods imports have slowed, total merchandise imports are rising.

Exports of goods have fallen, but that may be temporary. Exports of cars and car parts were 13% lower in January than three months earlier. But exports of other consumer goods were 20% higher. Given the upward trend in industrial production and in other leading indicators for Europe and Japan (see the **Selected International Comparisons** chart), rising U.S. exports is the near-term trend.

Ken Goldstein
March 15, 1989

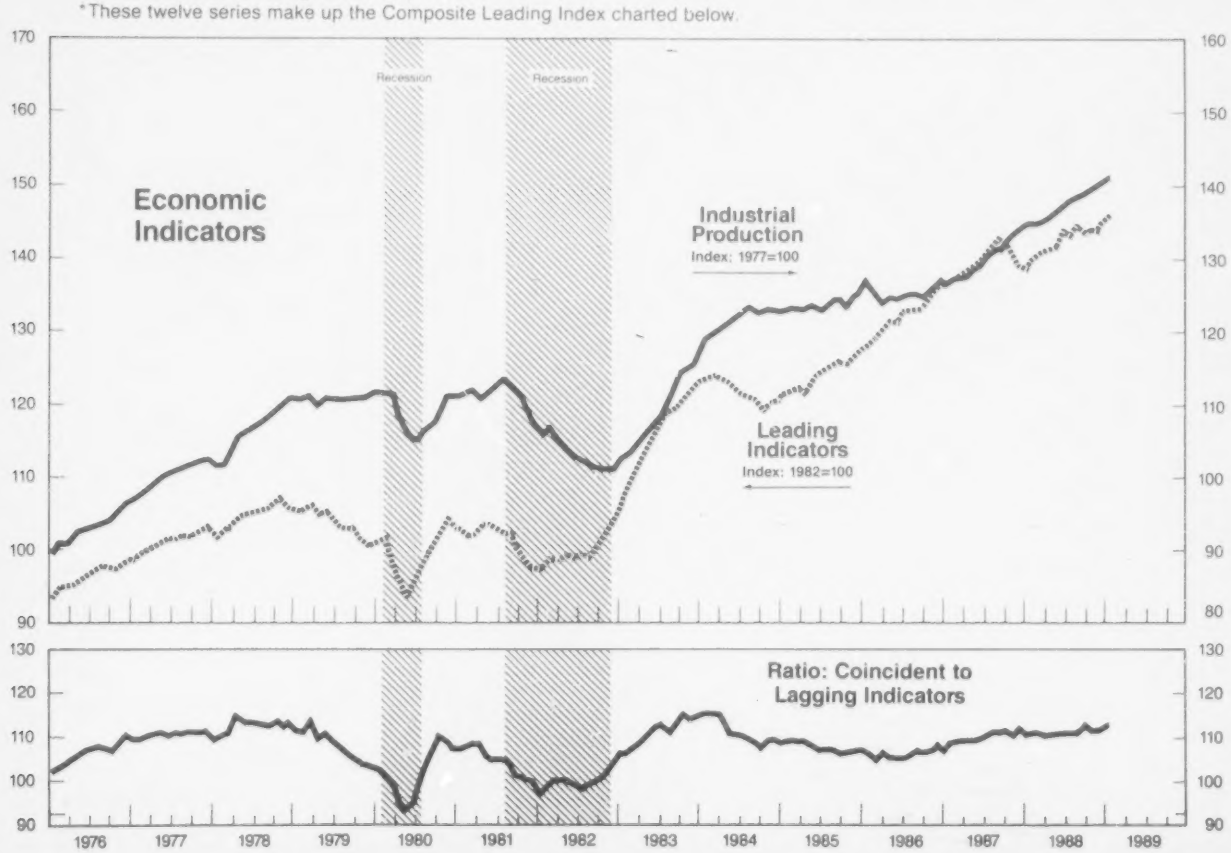


STATUS OF LEADING ECONOMIC INDICATORS

		Rising	Level	Declining	Change over Latest Three Months	Change from Year-Ago
		(Classification based on movement of series over several months)				
Leading Economic Indicators	Jan.	X			1.3%	5.0%
Capital Investment Commitments						
*Contracts and orders, plant & equipment (deflated)	Jan.	X			12.4%	13.8%
New orders, nondefense capital goods (deflated)	Jan.	X			11.6%	13.3%
New business formation	Dec.			X	- 2.1%	0.6%
*Housing permits	Jan.		X		- 0.6%	20.8%
Inventory Investment and Purchasing						
*New orders, consumer goods & materials (deflated)	Jan.			X	3.0%	8.8%
*Change in unfilled orders, mfg.	Jan.	X			23.6%	33.0%
Purchasing manager's buying policy	Feb.	X			14.0%	- 3.9%
*Vendor performance, reported slower deliveries	Jan.	X			- 1.1%	-13.5%
Industrial raw materials prices	Jan.	X			6.2%	10.7%
*Change in sensitive material prices	Jan.	X			74.1%	51.6%
Sensitive Financial Flows						
*Money balance (M2 deflated)	Jan.			X	- 0.2%	0.2%
Change in business loans	Jan.			X	67.2%	47.5%
*Consumer expectations	Jan.	X			3.3%	11.1%
Change in consumer installment debt	Jan.		X		11.6%	-30.1%
Profitability						
Total corporate profits, after tax (deflated)	3rd Q.	X			3.4%	11.1%
*Common stock prices	Jan.	X			2.9%	13.9%
Marginal Employment Adjustments						
*Average workweek, mfg.	Feb.		X		- 0.2hr	0.0hr
*Initial unemployment claims (inverted)	Jan.		X		- 2.1%	15.7%

Note: For a description of the Leading Indicators Composite Index see Bureau of Economic Analysis, *Handbook of Cyclical Indicators*, (Washington, D.C.: Government Printing Office) May, 1977.

*These twelve series make up the Composite Leading Index charted below.



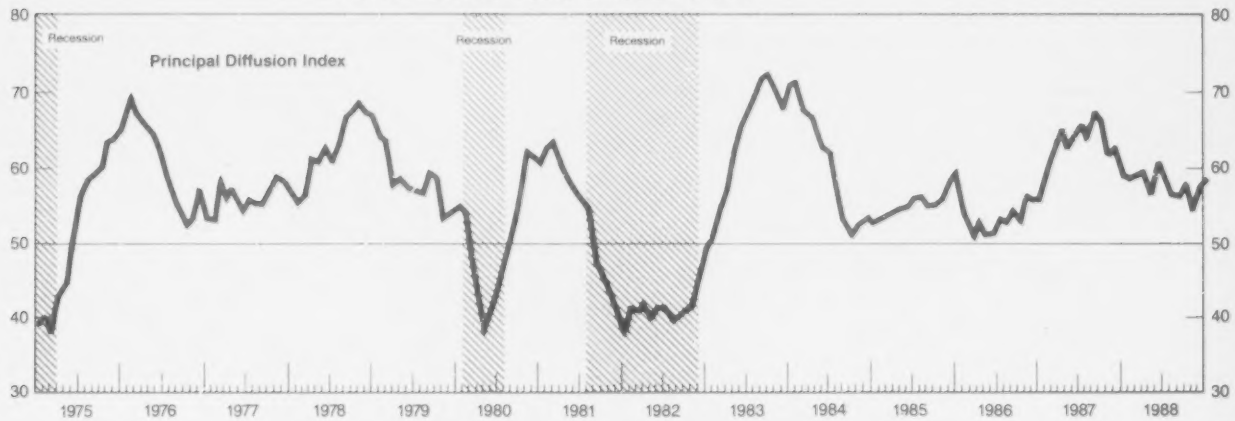
CONFERENCE BOARD DIFFUSION INDEXES

DIFFUSION INDEXES	1988 Jan.	1988 Oct.	1988 Nov.	1988 Dec.(r)	1989 Jan.(e)
Principal Diffusion Index	58.6	58.0r	55.9r	57.5	58.3
Auxillary Diffusion Index	41.6	57.3r	42.9r	55.2	52.6
Industrial Group	59.9	58.7r	55.3r	54.4	56.0
Nonindustrial Group	57.2	57.4r	56.4r	60.6	60.0
Sense of Diffusion	1	1	1	1	1
SUBGROUP DIFFUSION INDEXES					
Industrial Subgroups					
Production	68.8	65.4r	65.8r	63.7	69.9
Labor	54.2	61.0r	53.7r	51.5	52.4
Miscellaneous	60.9	42.9	43.6r	47.4	43.9
Nonindustrial Subgroups					
Prices	64.1	44.2	37.2	45.5	53.2
Consumer	65.4	69.0	68.8	68.2	67.9
Building	44.6	52.6r	51.9r	55.1	61.9
Miscellaneous	53.0	57.7	59.8r	66.7	57.3

Note: The principal diffusion index reflects the frequency of rises in 20 component series over the 12-month period ending in the month indicated. The index is based on the direction of change, not the magnitude of change, from month to month. Each component series carries equal weight in the index, but the direction of recent changes is weighted more heavily than are earlier changes. If, for example, 10 component series rose and 10 declined in each of the last 12 months, the current index would be higher than 50 because the data over the latest six-month period are weighted more heavily than data from the earlier six-month period. On the other hand, if all 20 series rose in each of the last six months, after declining in each of the prior six months, weighting would make the current index considerably greater than 50. See Morton Ehrlich, "Using The Conference Board's Diffusion Indexes," The Conference Board *RECORD*, July, 1966.

e-estimate r-revised

The Conference Board Diffusion Index



BUSINESS EXECUTIVES' EXPECTATIONS

	1985 Nov.	1986 Feb.	1986 May	1986 Aug.	1986 Nov.	1987 Feb.	1987 May	1987 Aug.	1987 Nov.	1988 Feb.	1988 May	1988 Aug.
	Score (scale 0-100)											
Measure of Business Confidence	55	61	61	50	51	55	55	59	47	51	58	56
1. Appraisal of Current Economic Conditions Compared With Six Months Ago	53	63	61	44	50	56	55	62	50	49	64	65
2. Expectations for Economy, Six Months Ahead	56	62	62	52	51	54	53	56	43	50	54	51
3. Expectations for Own Industry, Six Months Ahead	56	59	60	54	53	56	56	58	48	54	55	53

The Measure of Business Confidence is the average of the scores for the three primary questions in the survey. Respondents have five reply options for each question; a score for each question is determined by assigning the following values to the replies and calculating the average value of the replies to the question: Substantially Better—100; Moderately Better—75; Same—50; Moderately Worse—25; Substantially Worse—0. The score for each question,and the overall Measure of Business Confidence, thus can range from 0 to 100.

ECONOMIC FORECASTS

			U.C.L.A.[1] Business Forecasting Proje		Merrill Lynch[2] Economics Inc.		E.I. duPont[2] de Nemours & Co.		Georgia State University[2]	
Date of Forecast			*Feb., 1989*		*Feb., 1989*		*Feb., 1989*		*Feb., 1989*	
			Level	*Percent Change*	*Level*	*Percent Change*	*Level*	*Percent Change*	*Level*	*Percent Change*
Gross National Product Billions of Current Dollars										
Actual	**1988**	**IV**	**$4995.2**	**7.2%**			**$4995.2**	**7.2%**	**$4995.2**	**7.2%**
Forecast	1989	I	5106.3	9.2	$5104.1	9.5%	5090.0	7.8	5099.1	8.6
		II	5180.6	5.9	5187.5	6.7	5156.8	5.4	5188.7	7.2
		III	5237.4	4.5	5241.3	4.2	5227.8	5.6	5280.7	7.3
		IV	5298.1	4.7	5289.7	3.7	5300.4	5.7	5373.7	7.2
	1990	I	5361.9	4.9	5364.3	5.8	5370.5	5.4	5473.8	7.7
		II	5429.6	5.1	5453.8	6.8	5450.5	6.1	5546.9	5.4
		III	5518.1	6.7	5548.8	7.2	5538.9	6.6	5598.4	3.8
		IV	5619.1	7.5	5650.4	7.5	5634.5	7.1	5672.3	5.4
	1991	I	5740.0	8.9			5743.3	8.0		
	1989	Annual	5205.6	7.0	5205.7	7.0	5193.8	6.8	5235.6	7.7
	1990	Annual	5482.2	5.3	5504.3	5.7	5498.6	5.9	5572.9	6.4
Gross National Product Billions of Constant (1982) Dollars										
Actual	**1988**	**IV**	**$4029.7**	**2.0%**			**$4029.2**	**2.0%**	**$4029.7**	**2.0%**
Forecast	1989	I	4096.1	6.8	$4079.6	5.1%	4072.0	4.3	4072.7	4.3
		II	4113.4	1.7	4102.2	2.2	4083.0	1.1	4105.0	3.2
		III	4111.6	-0.2	4099.3	-0.3	4097.0	1.4	4132.7	2.7
		IV	4117.5	0.6	4093.6	-0.6	4112.0	1.5	4156.0	2.3
	1990	I	4118.2	0.1	4104.9	1.1	4128.0	1.6	4178.5	2.2
		II	4129.2	1.1	4131.1	2.6	4148.0	2.0	4183.2	0.5
		III	4155.4	2.6	4160.5	2.9	4174.8	2.5	4174.8	-0.8
		IV	4191.7	3.5	4191.9	3.1	4208.0	3.3	4183.1	0.8
	1991	I	4233.6	4.1			4248.0	3.9		
	1989	Annual	4109.7	2.9	4093.7	2.5	4091.0	2.4	4116.6	3.0
	1990	Annual	4148.6	0.9	4147.1	1.3	4164.5	1.8	4179.9	1.5
Gross National Product deflator Index, 1982 = 100										
Actual	**1988**	**IV**	**124.0**	**5.1%**			**124.0**	**5.1%**	**124.0**	**5.1%**
Forecast	1989	I	124.7	2.3	125.1	4.2%	125.0	3.3	125.2	4.1
		II	125.9	4.2	126.5	4.4	126.3	4.2	126.4	3.9
		III	127.4	4.6	127.9	4.5	127.6	4.2	127.8	4.4
		IV	128.7	4.1	129.2	4.3	128.9	4.1	129.3	4.8
	1990	I	130.2	4.8	130.7	4.6	130.1	3.8	131.0	5.4
		II	131.5	4.0	132.0	4.2	131.4	4.1	132.6	5.9
		III	132.8	4.0	133.4	4.2	132.7	4.0	134.1	4.6
		IV	134.1	3.8	134.8	4.3	133.9	3.7	135.6	4.6
	1991	I	135.6	4.6			135.2	3.9		
	1989	Annual	126.7	4.1	127.2	4.5	127.0	4.3	127.2	4.5
	1990	Annual	132.1	4.3	132.7	4.4	132.0	4.0	133.3	4.8
Unemployment Rate										
Actual	**1988**	**IV**		**5.3%**		**5.3%**		**5.3%**		**5.3%**
Forecast	1989	I		5.2		5.3		5.3		5.3
		II		5.1		5.3		5.4		5.2
		III		5.1		5.4		5.5		5.2
		IV		5.2		5.8		5.5		5.1
	1990	I		5.4		6.1		5.6		4.9
		II		5.6		6.3		5.7		5.2
		III		5.8		6.2		5.6		5.4
		IV		5.8		6.0		5.6		5.6
	1991	I		5.7				5.5		
	1989	Annual		5.2		5.5		5.4		5.2
	1990	Annual		5.7		6.2		5.6		5.3

Notes: Percentage changes represent compound annual rates of change from preceding period. Quarterly data are seasonally adjusted.
[1]Based on revised fourth quarter data.
[2]Based on preliminary fourth quarter data.

ECONOMIC FORECASTS (continued)

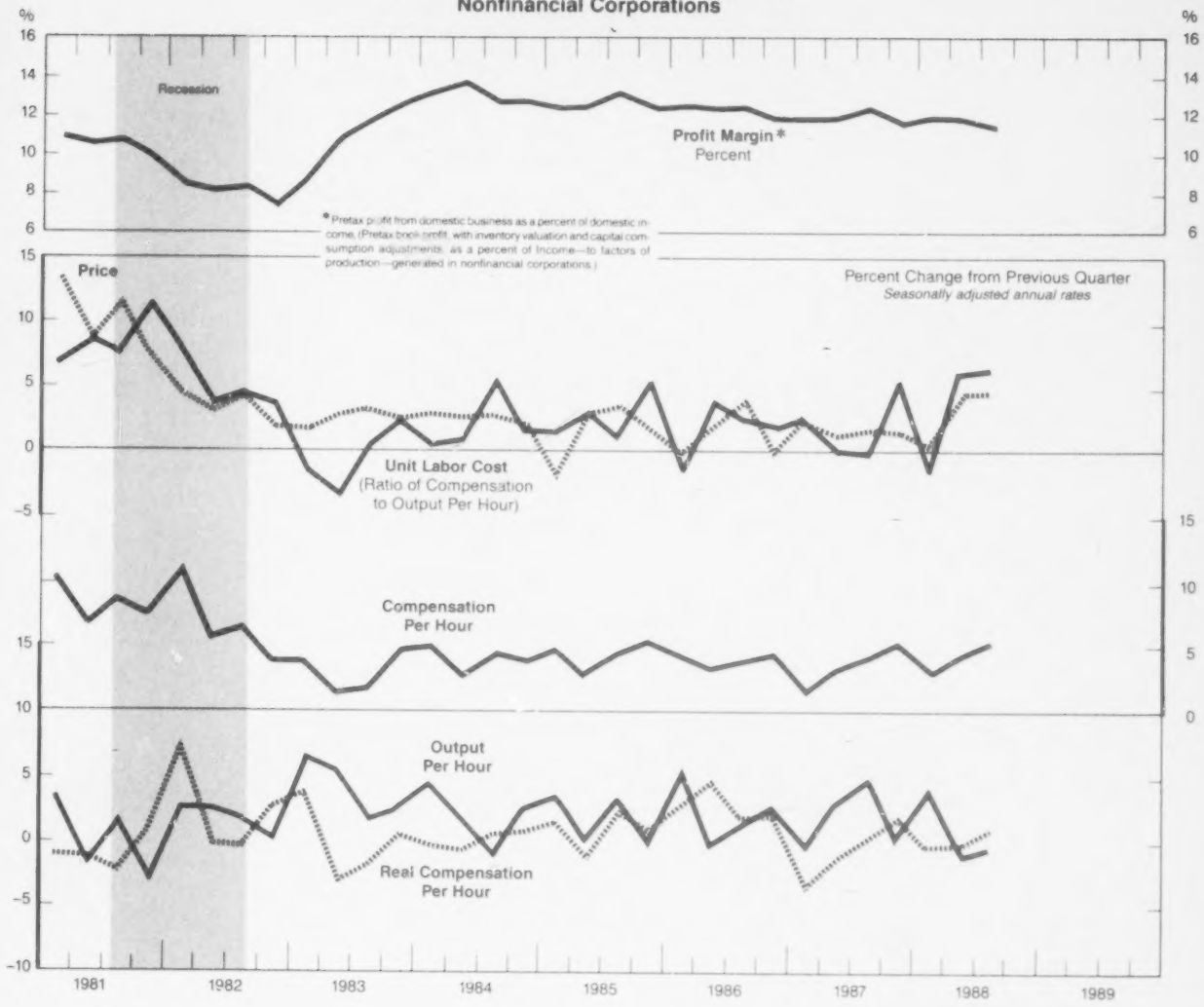
The Conference Board[2]		Laurence H. Meyer Associates, Inc.[1]		Data Resources Inc.[1]		Wharton E.F.A. Inc.[1]				
Jan., 1989		*Feb., 1989*		*Feb., 1989*		*Feb., 1989*		*Date of Forecast*		
Level	*Percent Change*	*Level*	*Percent Change*	*Level*	*Percent Change*	*Level*	*Percent Change*			
								Gross National Product Billions of Current Dollars		
		$4995.2	**7.2%**	**$4995.2**	**7.2%**	**$4995.2**	**7.2%**	**IV**	**1988**	**Actual**
$5120.0	10.8%	5110.0	9.5	5087.9	7.6	5106.0	9.2	I	1989	Forecast
5210.0	7.2	5187.9	6.2	5152.5	5.2	5197.2	7.3	II		
5273.0	4.9	5256.6	5.4	5214.9	4.9	5278.4	6.4	III		
5325.0	4.0	5324.4	5.3	5278.6	5.0	5357.4	6.1	IV		
5370.0	3.4	5411.2	6.7	5352.1	5.7	5430.8	5.6	I	1990	
5457.0	6.6	5486.5	5.7	5424.6	5.5	5517.0	6.5	II		
5555.0	7.4	5567.0	6.0	5507.1	6.2	5616.2	7.4	III		
5654.0	7.3	5652.8	6.3	5603.5	7.2	5719.3	7.5	IV		
				5724.0	8.9	5827.5	7.8	I	1991	
5232.0	7.6	5219.7	7.3	5183.5	6.6	5234.8	7.6	Annual	1989	
5509.0	5.3	5529.4	5.9	5471.8	5.6	5570.8	6.4	Annual	1990	
								Gross National Product Billions of Constant (1982) Dollars		
		$4029.7	**2.0%**	**$4029.7**	**2.0%**	**$4029.7**	**2.0%**	**IV**	**1988**	**Actual**
$4086.2	5.8%	4082.4	5.3	4079.6	5.0	4082.5	5.3	I	1989	Forecast
4108.7	2.2	4103.5	2.1	4094.4	1.5	4109.4	2.7	II		
4106.6	-0.2	4117.8	1.4	4103.8	0.9	4125.2	1.5	III		
4096.3	-1.0	4131.9	1.4	4118.2	1.4	4132.6	0.7	IV		
4080.9	-1.5	4153.3	2.1	4130.9	1.2	4141.2	0.8	I	1990	
4097.2	1.6	4170.1	1.6	4149.6	1.8	4161.1	1.9	II		
4120.8	2.3	4190.1	1.9	4174.7	2.4	4195.4	3.3	III		
4142.4	2.1	4214.1	2.3	4210.2	3.4	4232.3	3.6	IV		
				4253.6	4.2	4262.9	2.9	I	1991	
4099.5	2.6	4108.9	2.8	4099.0	2.6	4112.4	2.9	Annual	1989	
4110.3	0.3	4161.9	1.8	4166.4	1.6	4182.5	1.7	Annual	1990	
								Gross National Product deflator Index, 1982 = 100		
		124.0	5.1%	124.0	5.1%	124.0	5.1%	IV	1988	Actual
125.3	4.8%	125.2	4.0	124.7	2.5	125.1	3.6	I	1989	Forecast
126.8	4.9	126.4	4.1	125.8	3.7	126.5	4.6	II		
128.4	5.1	127.7	3.9	127.1	4.0	128.0	4.8	III		
130.0	5.1	128.9	3.8	128.2	3.5	129.6	5.4	IV		
131.6	5.0	130.3	4.5	129.6	4.4	131.1	4.7	I	1990	
133.2	5.0	131.6	4.0	130.7	3.6	132.6	4.5	II		
134.8	4.9	132.9	4.0	131.9	3.7	133.9	3.9	III		
136.5	5.1	134.1	3.9	133.1	3.6	135.1	3.8	IV		
				134.6	4.5	136.7	4.7	I	1991	
127.6	4.9	127.0	4.4	126.5	3.9	127.3	4.6	Annual	1989	
134.0	5.0	132.2	4.1	131.3	3.9	133.2	4.6	Annual	1990	
								Unemployment Rate		
	5.3%		**5.3%**		**5.3%**		**5.3%**	**IV**	**1988**	**Actual**
	5.3		5.3		5.4		5.4	I	1989	Forecast
	5.3		5.3		5.5		5.3	II		
	5.6		5.3		5.5		5.5	III		
	5.9		5.4		5.6		5.8	IV		
	6.2		5.5		5.7		5.9	I	1990	
	6.2		5.6		5.8		6.1	II		
	6.1		5.7		5.8		6.1	III		
	5.9		5.7		5.8		6.0	IV		
					5.7		5.9	I	1991	
	5.5		5.3		5.5		5.5	Annual	1989	
	6.1		5.6		5.8		6.0	Annual	1990	

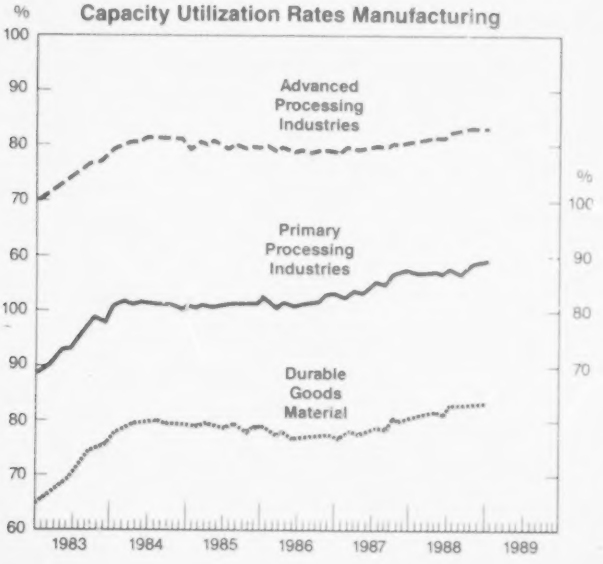
CBDB

ATTENTION DATA USERS: All data in this publication are available ONLINE in our statistical database, CBDB. For more information, contact Linette Waters at (212) 759-0900.

Key Determinants of Profit Margin

Nonfinancial Corporations

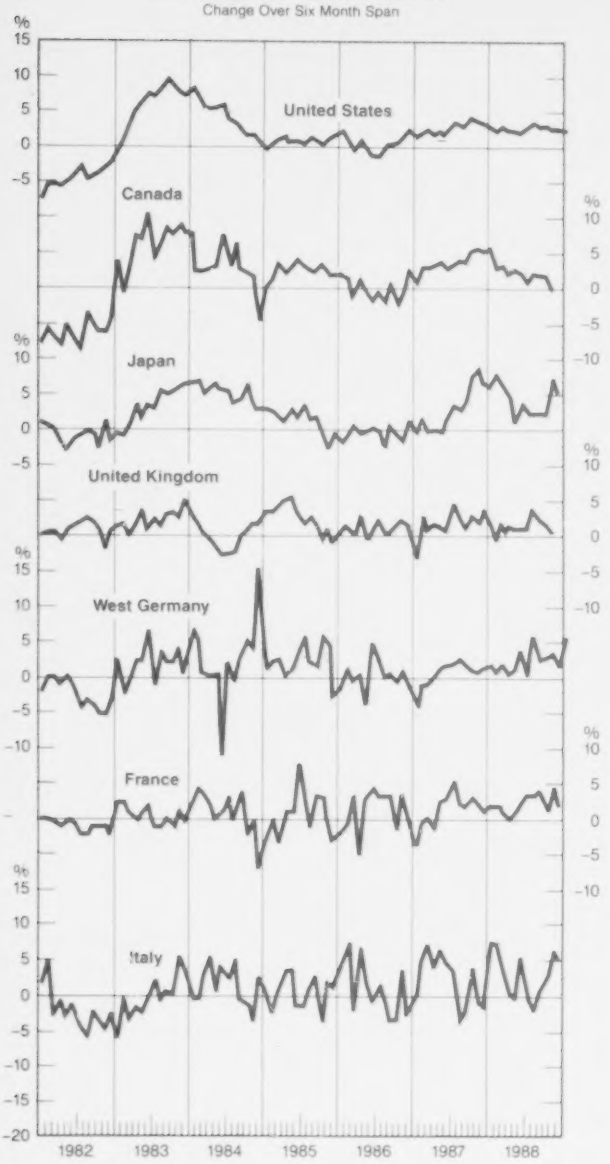




Selected International Comparisons

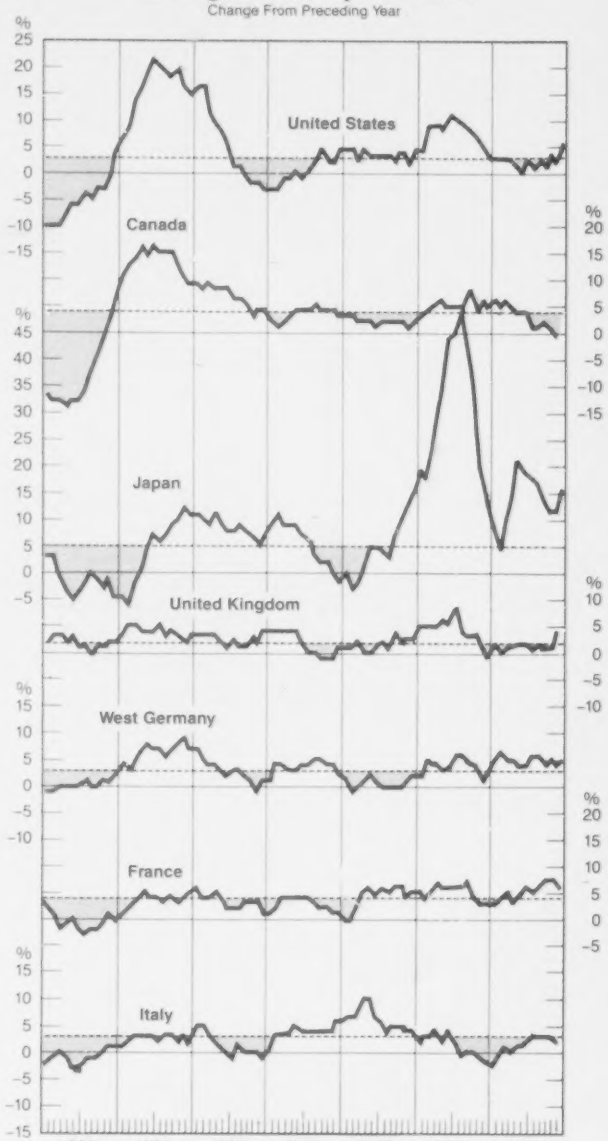
Industrial Production Indexes

Change Over Six Month Span



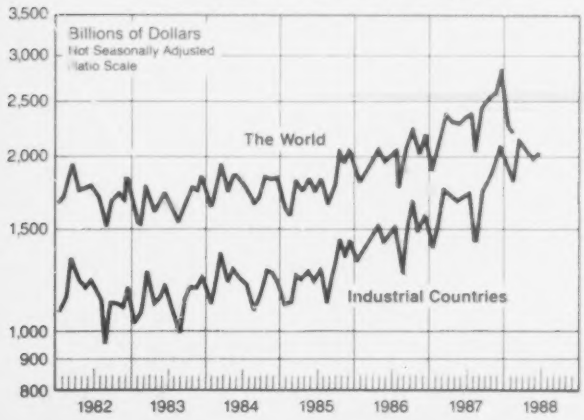
Leading Business Cycle Indexes

Change From Preceding Year

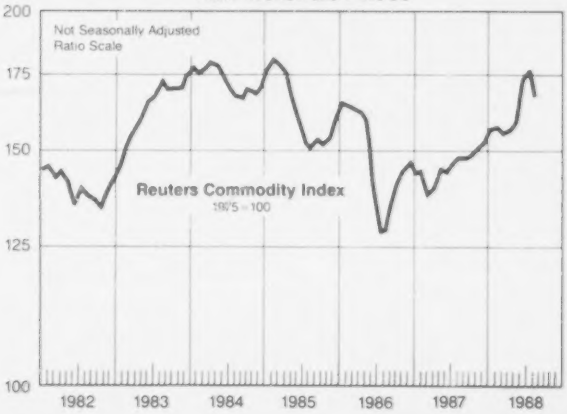


Source: Center for International Business Cycle Research, Columbia University

Merchandise Trade: Value of Exports



Raw Materials Prices



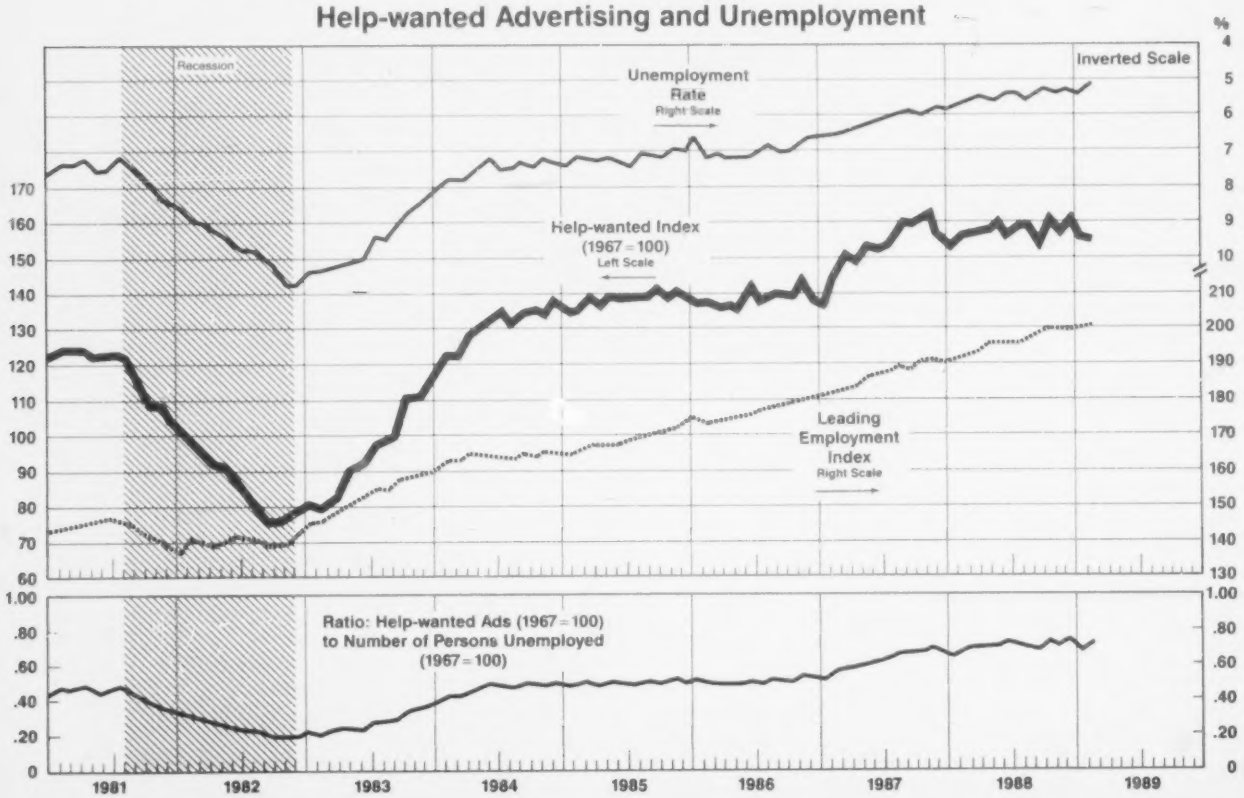
CONFERENCE BOARD HELP-WANTED ADVERTISING INDEX

Seasonally Adjusted Indexes, 1967 = 100

Locality	1989 Jan.	1988 Dec.	1988 Nov.	1983 Jan.
National Index	155	161	157	152r
New England	139	138	136	160
Boston	131	128	128	160
Hartford	139	160	149	164
Providence	167	154	153	158
Middle Atlantic	83	86	84	85r
Albany	198	214	208	205
Allentown	360	492	388	307
New York	55	56	55	61
Philadelphia	71	68	70	79r
Pittsburgh	101	94	96	96
Rochester	111	101	105	99
Syracuse	162	162	169	145
East North Central	108	102	105	106r
Chicago	113	105	105	116
Cincinnati	162	146	176	169
Cleveland	76	65r	72	71
Columbus	161	163	169	179
Dayton	100	89	94	89
Detroit	67	61	60	59
Gary	199	198	198	174
Indianapolis	129	131	129	111
Milwaukee	93	103	101	98r
Toledo	133	130	129	129
West North Central	105	98	98	101
Kansas City	144	132	129	166
Minneapolis	91	83	89	79
Omaha	177	171	179	154r
St. Louis	77	74	67	70
South Atlantic	206	233r	219	207
Atlanta	265	262	276	280
Baltimore	224	334	272	208
Charlotte	204	207	204	197
Jacksonville	223	214r	222	227
Miami	162	172	170	163
Richmond	155	138	130	146
Washington, D.C.	N.A.	N.A.	N.A.	195
East South Central	167	174r	176r	156r
Birmingham	183	180	176	166
Knoxville	316	339	321	267
Louisville	N.A.	107r	104r	96
Memphis	146	135	134	139
Nashville	164	199	226	174r
West South Central	178	192	186	169
Dallas	142	141	147	153
Houston	251	290	289	226
New Orleans	133	143	126	130
Oklahoma City	126	122	111	121
San Antonio	162	178	153	154
Tulsa	167	158	143	145
Mountain	322	332	337	308
Denver	225	222	216	217
Phoenix	360	441	460	394
Salt Lake City	458	394	399	365
Pacific	264	273	263	246
Los Angeles	174	173	169	170
Sacramento	512	501	484	447
San Bernadino	N.A.	337	340	283
San Diego	672	721	666	614
San Francisco	252	278	262	244
Seattle	277	285	287	233
Percentage of papers with rising volume	55	59r	22	57
Unemployment rate	5.4	5.3	5.4	5.8

Note: For definitions and method, see Noreen Preston, *The Help-wanted Index* (New York: The Conference Board, 1977).
r—revised N.A.—not available

Help-wanted Advertising and Unemployment



Source: Center for International Business Cycle Research, Columbia University.

CONFERENCE BOARD INDEXES OF CONSUMER CONFIDENCE AND EXPECTATIONS

Indexes, 1985 = 100
(Seasonally Adjusted)

Consumer Confidence Index

	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
1985	102.0	103.1	96.1	104.4	99.6	102.6	103.2	100.9	96.0	96.1	98.1	98.2
1986	96.9	96.0	95.1	100.0	100.2	100.0	97.5	91.7	89.7	85.9	89.7	93.2
1987	85.4	91.8	95.8	97.4	103.0	102.1	105.8	110.7	115.7	115.1	100.8	107.7
1988	109.9	114.9	112.7	115.7	120.2	115.7	113.5	119.7	110.7	116.9	112.9	119.4
1989	115.8r	122.0p										

Expectations Index

1985	102.5	103.9	95.9	105.1	99.6	102.7	102.5	102.1	96.3	94.5	96.8	98.2
1986	96.3	94.4	95.5	99.0	99.4	99.7	96.4	92.0	89.4	86.1	92.0	92.2
1987	85.6	91.8	96.8	100.5	105.6	98.2	105.6	107.5	112.5	108.9	90.9	99.6
1988	102.2	105.5	104.9	112.8	114.4	108.6	103.7	109.4	100.1	109.3	102.0	105.6
1989	104.1r	109.1p										

Confidence Index measures consumer optimism in appraising economic conditions. Expectations Index, (charted below), measures consumer attitudes with regard to business conditions and employment and income levels six months hence. Data prior to May, 1981 based on survey of families. Data after May, 1981 are based on survey of households. A description of these indexes appears in The Conference Board RECORD, September, 1973.

Surveys are conducted by National Family Opinion, Inc.

p—preliminary r-revised

Consumer Confidence and Expectations

CONFERENCE BOARD ESTIMATES OF CAPITAL APPROPRIATIONS AND EXPENDITURES BY MANUFACTURERS AND INVESTOR-OWNED UTILITIES

Billions of Dollars, Seasonally Adjusted

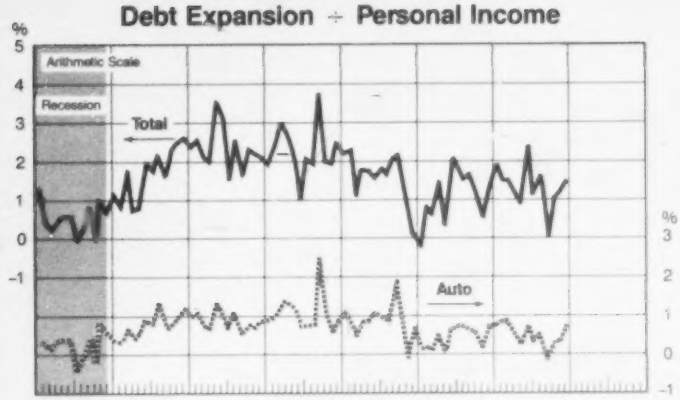
	1987				1988			Percent Change From Previous Year	
	I-87	II-87	III-87	IV-87	I-88	II-88(r)	III-88(p)	Actual 1988	Estimate 1989
1000 LARGEST MANUFACTURING FIRMS									
New appropriations	21.441	32.257	29.561	35.909	30.846	40.686	39.092	23%	5%
Capital expenditures	20.801	25.933	27.381	29.820	29.412	31.718	33.548	26	18
Change in appropriations backlog*	-0.550	5.460	0.080	3.510	0.650	8.760	5.090		
Durable Goods									
New appropriations	9.746	16.515	17.208	20.245	14.310	20.261	19.907	20	21
Capital expenditures	11.124	14.006	13.970	16.037	15.780	16.910	18.346	26	24
Change in appropriations backlog*	-2.070	2.310	2.930	3.810	-1.600	3.670	1.420		
Nondurable Goods									
New appropriations	11.695	15.742	12.353	15.664	16.536	20.425	19.185	25	-4
Capital expenditures	9.677	11.927	13.411	13.783	13.632	14.808	15.202	26	13
Change in appropriations backlog*	1.520	3.160	-3.010	-0.300	2.250	5.090	3.670		
ELECTRIC & GAS UTILITIES									
New appropriations	6.528	5.605	5.174	6.286	8.083	4.439			
Capital expenditures	7.662	7.072	7.771	6.590	6.857	5.620			
Change in appropriations backlog*	-0.720	-1.610	-2.840	-0.430	1.235	-2.630			

Available on request: Historical data from 1953 (manufacturing) and from 1958 (utilities), and quarterly reports containing text and data for 17 separate manufacturing industries, electric and gas utilities.

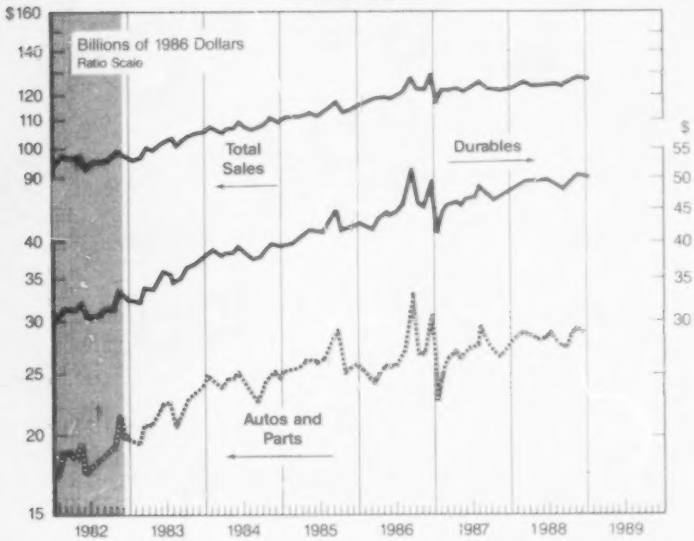
r—revised p—preliminary

* Change in Backlog = New Appropriations – (Expenditures + Cancellations and Other Adjustments).

Consumer Installment Debt Expansion ÷ Personal Income



Retail Sales



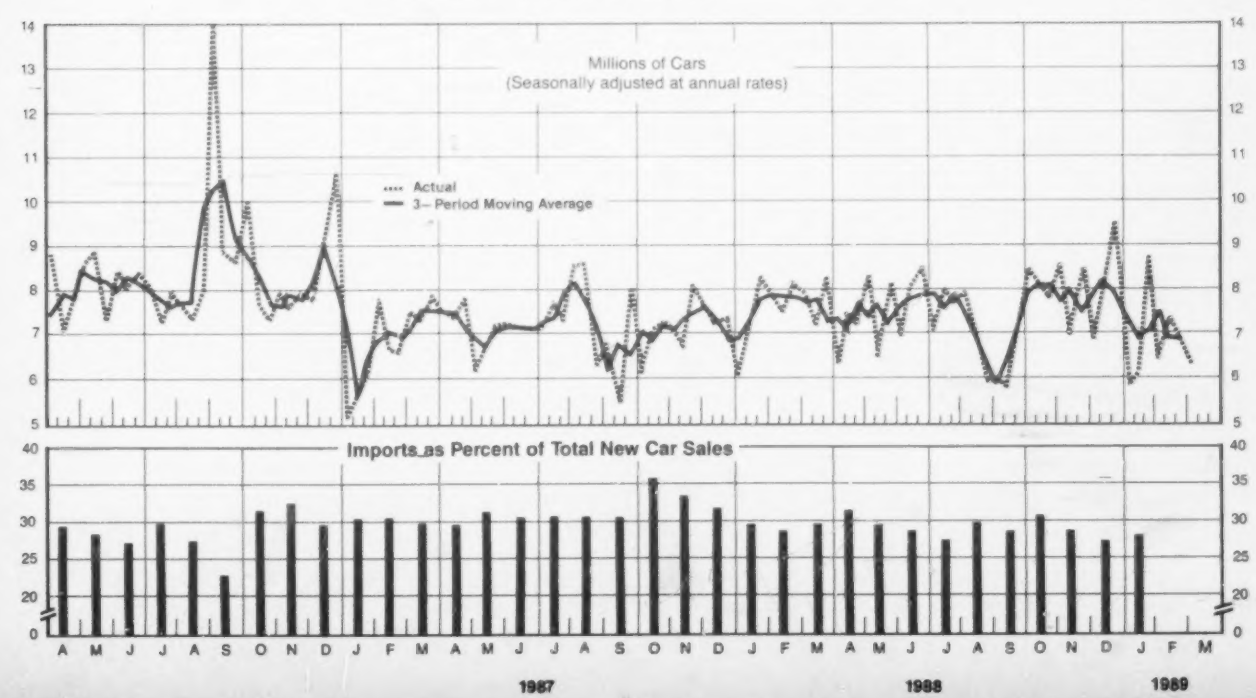
CONFERENCE BOARD ESTIMATES OF NEW AUTO SALES, BY 10-DAY PERIODS

Millions, Seasonally Adjusted at Annual Rate

Periods		1986	1987	1988	1989
January:	1-10	8.37	5.15	6.06	5.86
	11-20	8.74	5.52	7.29	6.06
	21-31	8.26	6.13	8.25	8.64
February:	1-10	7.88	7.78	7.83	6.40
	11-20	8.95	6.64	7.44	7.37
	21-28(29)	6.15	6.58	8.17	6.86
March:	1-10	7.69	7.53	7.81	6.32
	11-20	7.57	7.27	7.13	
	21-31	6.52	7.81	8.28	
April:	1-10	8.79	7.48	6.33	
	11-20	7.06	7.34	7.43	
	21-30	7.75	7.76	7.23	
May:	1-10	8.62	6.16	8.36	
	11-20	8.86	6.66	6.53	
	21-31	7.33	7.19	8.12	
June:	1-10	8.48	7.21	6.88	
	11-20	8.04	7.13	8.00	
	21-30	8.39	7.09	8.48	
July:	1-10	8.10	7.10	7.02	
	11-20	7.29	7.68	7.99	
	21-31	7.97	7.29	7.69	
August:	1-10	7.63	8.55	7.95	
	11-20	7.34	8.60	7.01	
	21-31	8.08	6.26	5.92	
September:	1-10	14.00	6.74	5.93	
	11-20	8.83	5.45	5.80	
	21-30	8.62	8.03	7.40	
October:	1-10	10.04	6.13	8.43	
	11-20	7.67	7.10	8.08	
	21-31	7.27	7.24	7.78	
November:	1-10	7.96	7.15	8.55	
	11-20	7.59	6.68	6.97	
	21-30	7.89	8.09	8.46	
December:	1-10	7.75	7.60	6.84	
	11-20	8.77	7.22	8.31	
	21-31	10.68	7.31	9.54	

Note: Dealer sales exclude exports and foreign-model cars (unless manufactured domestically.) Data from Ward's Automotive Reports are seasonally adjusted by The Conference Board. Prior data available upon request.

Domestic—Model Car Sales


Millions of Cars
(Seasonally adjusted at annual rates)
Actual
3– Period Moving Average
Imports as Percent of Total New Car Sales
A M J J A S O N D J F M A M J J A S O N D J F M A M J J A S O N D J F M
1987
1988
1989